

DSS ID # _____

AGENCY FISCAL ESTIMATE OF PROPOSED REGULATIONS

AGENCY SUBMITTING REGULATION Department of Social Services DATE 5/2/2011

SUBJECT MATTER OF REGULATION Changes for a regulation regarding Medical Foundation

REGULATION SECTION NO. _____ STATUTORY AUTHORITY:

OTHER AGENCIES AFFECTED _____

EFFECTIVE DATE USED IN COST ESTIMATE July 1, 2011

ESTIMATE PREPARED BY Helen Chan

QUESTIONS SHOULD BE ADDRESSED TO Lee Voghel TELEPHONE 424-5842

SUMMARY OF STATE COST AND REVENUE IMPACT OF PROPOSED REGULATION

Agency Department of Social Services Fund Affected General

	SFY 2011	SFY 2012	SFY 2013
Number of Positions	_____	_____	_____
Personal Services	_____	_____	_____
Other Expenses	_____	_____	_____
Equipment	_____	_____	_____
Grants (Medicaid)	_____	_____	_____
Total State Cost (Savings)			
Estimated Revenue Gain (Loss)			
Total Net State Cost (Savings)			

EXPLANATION OF STATE IMPACT OF REGULATION:

This proposal regulation seeks to amend section 17b-262-524 of the regulations of Connecticut State Agencies regarding medical assistance billing requirements for medical foundations.

The purpose of the proposed regulation is to amend section 17b-262-524 of the Regulations of Connecticut State in recognition of Public Act 09-212, now codified at sections 33-182aa to 33-182ff, of the Supplement to the General Statutes, which authorizes the establishment of medical foundations. This change adds subsection (i) to section 17b-262-524 of the Regulations of Connecticut State Agencies, allows billing by and payment to a medical foundation for the services it provides to medical assistance program clients and allows the Department of Social Services to monitor that such billing and payment are not duplicative of those made to those entities that are related to the medical foundation.

The Department is proposing this amendment to go with its current regulation relating to billing by a related party with the statute enacted in 2009, which allows a hospital to have a direct or indirect ownership interest in a medical foundation that seeks to bill the DSS for services it provides to medical assistance clients. Since the existing regulation does not reflect the medical foundation model. The proposed regulation permits such billing and payment as long as the Department approves the methods the medical foundation has in place to ensure that there will be no duplicate billing to or payment by DSS. In addition, the proposed regulation requires the medical foundation to demonstrate within three months after it starts billing the Department of Social Services, the medical foundation needs report to DSS from time to time to ensure no such billing occurs. The proposed regulation explains that duplicate billing includes, but not limited to claims for costs associated with related party transitions, as referenced in subsection (o) of section 17b-262-531 of the Regulations of Connecticut State Agencies.

The legal effect of the proposed amendment is that it will give effect to the statute authorizing the establishing of medical foundations by allowing the medical foundations to bill the Department of Social Services for services to medical assistance clients. At the same time, the proposed amendment requires the Department of Social Services to approve the methodology established by the medical foundations to avoid duplicate billing and to monitor billings by and payments to medical foundations to ensure that no duplicate billing occurs.

FINANCIAL IMPACT:

The existing regulation does not reflect the medical foundation model. Therefore, the Department of Social Services is proposing to amend Section 17b-262-254 of the regulations of Connecticut State Agencies regarding medical assistance billing requirements for medical foundations to be aligned with Public Act 09-212, which allows the Department of Social Services to have access to verify the billings and payments to ensure no duplicate billing occurs. In addition, the regulation also requires the medical foundation to demonstrate within three months after it starts billing the Department of Social Services to make sure that there are no duplicate billings. No fiscal impact is anticipated from these technical changes in the regulations to allow the Department of Social Services to have access to monitor the billings and payments made by medical foundation.

MUNICIPAL IMPACT: None.